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MEMORANDUM

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AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

TO: Docket Control

FROM: Ernest G. Johnson
Director
Utilities Division

DATE: July 25, 2008

RE: STAFF REPORT FOR FISHER'S LANDING WATER AND SEWER WORKS,
L.L.C.'S APPLICATION FOR A RATE INCREASE FOR WATER. DOCKET NO.
WS-04047A-07-0700 and WS-04047A-07-0708

Attached is the Staff Report for Fisher's Landing Water and Sewer Works, L.L.C.'s application for a rate increase for water. Staff recommends approval of its rates and charges as shown on Schedule BCA-W4.

Any party who wishes may file comments to the Staff Report with the Commission's Docket Control by 4:00 p.m. on or before August 15, 2008.

EGJ:BCA:tdp

Originator: Brendan C. Aladi

Arizona Corporation Commission
DOCKETED

JUL 25 2008

DOCKETED BY	mn
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Service List for: Fisher's Landing Water and Sewer Works, LLC.
Docket No.: WS-04047A-07-0700

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**STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION**


**FISHER'S LANDING WATER AND SEWER WORKS
DOCKET NO. WS-04047A-07-0700**

**APPLICATION FOR A PERMANENT
INCREASE IN WATER RATES**

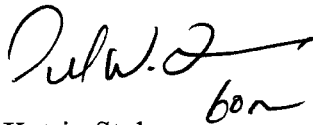
JULY 25, 2008

STAFF ACKNOWLEDGMENT

The Staff Report for Fisher's Landing Water and Sewer Works, L.L.C., Docket No. WS-04047A-07-0700 is the responsibility of the Staff members listed below. Brendan C. Aladi is responsible for the review and analysis of the Company's applications, recommended revenue requirement, rate base and rate design. Katrin Stukov is responsible for the engineering and technical analysis. Carmen Madrid is responsible for reviewing the Commission's records on the Company, determining compliance with Commission policies/rules and reviewing customer complaints filed with the Commission.



Brendan C. Aladi
Public Utilities Analyst III



Katrin Stukov
Utilities Engineer



Carmen Madrid
Public Utilities Consumer Analyst I

EXECUTIVE SUMMARY
FISHER'S LANDING WATER AND SEWER WORKS
WATER DIVISION
DOCKET NO. WS-04047A-07-0700

Fisher's Landing Water and Sewer Works, L.L.C. ("Fisher's Landing" or "Company") provides water service to customers in an area located along the Colorado River approximately 30 miles northeast of Yuma, in Yuma County, Arizona.

Decision No. 64998, dated June 26, 2002, required Fisher's Landing to file a rate case for both water and sewer services no later than July 31, 2006. Fisher's Landing filed a delinquent rate application for water only on July 9, 2007. Staff found the initial application deficient and asked Fisher's Landing to file rate applications for both water and sewer. On December 19, 2007, Fisher's Landing filed rate applications for both water and sewer with the Arizona Corporation Commission ("Commission").

The Company received its Certificate of Convenience and Necessity ("CC&N") in Decision No. 64998 which also established its current rates.

The Company proposes a 96.2 percent, or \$60,371, increase in revenue from \$62,733 to \$123,104. The Company's proposed rates, as filed, produce an operating income of \$87,764 for a 73.16 percent rate of return on an Original Cost Rate Base ("OCRB") of \$119,957. The Company's proposed rates would increase the typical residential bill by \$5.00, or 41.7 percent, from \$12.00 to \$17.00 (Schedule BCA-W5).

Staff recommends total operating revenue of \$48,139, a \$172,024 or 78.1 percent decrease from the Staff adjusted test year operating revenue of \$220,164. Staff's recommended revenue provides an operating income of \$13,523 for an operating margin of 28.09 percent and an 11.00 percent rate of return on a rate base of \$122,932 (Schedule BCA-W1). The Company's request for a 73.16 percent rate of return versus Staff's recommended 11.00 percent rate of return is the reason for 100.0 percent of the \$74,965 excess of the Company's \$123,104 revenue requirement over Staff's \$48,139 revenue requirement. Staff recommends rates that would decrease the typical residential bill with a median usage of 1,881 gallons by \$0.12, or 1.0 percent, from \$12.00 to \$11.88.

Staff recommends approval of its recommended rates and charges as presented in Schedule BCA-W4. In addition to collection of its regular rates and charges, the Company may collect from its customers a proportionate share of any privilege, sales or use tax per A.A.C. R14-2-409.D.5.

Staff recommends that the Company charge customers in accordance with its authorized tariffs.

Staff recommends that the Company file with Docket Control, as a compliance item in this docket by December 31, 2009, a copy of the Arizona Department of Environment Quality

("ADEQ") approval of construction for the additional storage facilities (minimum of 40,000 gallons).

Staff recommends that the Commission authorize the depreciation rates shown in Table D of the Engineering Report.

Staff recommends that the Company file with Docket Control, as a compliance item in this docket, a schedule of its approved rates and charges within 30 days after the Decision in this matter is issued.

Staff recommends that the Company specify the total number of its customers in its Annual Reports, beginning with the 2008 Annual Report filed in 2009.

TABLE OF CONTENTS

	<u>PAGE</u>
FACT SHEET	1
SUMMARY OF FILING	2
BACKGROUND	3
CONSUMER SERVICES	3
COMPLIANCE.....	4
ENGINEERING ANALYSIS	4
RATE BASE.....	5
OPERATING INCOME STATEMENT	5
OPERATING REVENUE.....	5
OPERATING EXPENSES.....	5
REVENUE REQUIREMENTS AND RATE DESIGN	6
STAFF RECOMMENDATIONS	8

SCHEDULES

Summary of Filing	Schedule BCA-W1
Rate Base	Schedule BCA-W2
Income Statement.....	Schedule BCA-W3
Rate Design.....	Schedule BCA-W4
Typical Bill Analysis	Schedule BCA-W5

ATTACHMENT

Engineering Report (Water).....	A
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Fact Sheet

Company Statistics:

Type of Ownership: LLC.

Location: The Company is located along the Colorado River approximately 30 miles northeast of Yuma, in Yuma County, Arizona. The Association is not located in an Active Management Area ("AMA").

Rates:

Permanent rate increase application initially filed July 9, 2007; re-filed December 19, 2007 and found sufficient on March 24, 2008.

Current test year ended: December 31, 2006

Prior test year ended: Not applicable - CC&N authorized in Decision No. 64998, dated June 26, 2002.

Current Rates: Decision No. 64998.

Monthly Charges:

	<u>Current Rates</u>	<u>Company Proposed Rates</u>	<u>Staff Recommended Rates</u>
Monthly Minimum Charge:			
5/8" x 3/4" Meter, Residential	\$12.00	\$17.00	\$10.00
5/8" x 3/4" Meter, Commercial	\$50.00	\$50.00	\$10.00

Gallons in Minimum	0	15,000	0
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Commodity Charge (5/8 x 3/4-inch Meter):

Residential

Over 15,000 gallons (per 1,000 gallons)	0	\$2.00	
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0 to 3,000 gallons (per 1,000 gallons)			\$1.00
--	--	--	--------

3,001 to 10,000 gallons (per 1,000 gallons)			\$1.80
---	--	--	--------

Over 10,000 gallons (per 1,000 gallons)			\$2.10
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Commercial		
15,001 to 50,000 gallons (per 1,000 gallons)	\$7.50	
Over 50,000 gallons (per 1,000 gallons)	\$9.00	
0 to 3,000 gallons (per 1,000 gallons)		\$1.00
3,001 to 10,000 gallons (per 1,000 gallons)		\$1.80
Over 10,000 gallons (per 1,000 gallons)		\$2.10

Typical Residential Bill:

	Current Rates	Company Proposed Rates	Staff Recommended Rates
Average use (14,860 gallons)	\$12.00	\$17.00	\$35.81
Median use (1,881 gallons)	\$12.00	\$17.00	\$11.88

Customers:

Number of customers in prior test year: N/A

Number of customers in the current test year (12/31/06): 78

Current test year customers by meter size:

5/8 X 3/4 - inch (Residential)	70
5/8 X 3/4 - inch (Commercial)	1
1- inch (Commercial)	3
1.5- inch (Commercial)	2
2-inch (Commercial)	<u>2</u>
	<u>78</u>

Customer notification for rate application mailed: December 18, 2007.

Number of customer complaints and/or opinions concerning rate/financing applications filed: 0.

Percentage of complaints to customer base: 0 %

Summary of Filing

The test year results for Fisher's Landing Water and Sewer Works ("Fisher's Landing" or "Company"), as adjusted by the Arizona Corporation Commission ("Commission") Utilities Division Staff ("Staff"), show total operating revenue of \$220,164 and operating income of

\$185,547 for a 150.93 percent rate of return on an Original Cost Rate Base ("OCRB") of \$122,932 (Schedule BCA-W1).

The Company's proposed rates, as filed, produce total operating revenue of \$123,104 and operating income of \$87,764, for a 73.16 percent rate of return on an OCRB of \$119,957. The Company proposes rates that would increase the typical residential bill, with a median use of 1,881 gallons, by \$5.00 from \$12.00 to \$17.00, as shown in Schedule BCA-W5.

Staff recommends total operating revenue of \$48,139, a \$172,024 or 78.1 percent decrease from the Staff adjusted test year operating revenue of \$220,164. Staff's recommended revenue provides an operating income of \$13,523 for an operating margin of 28.09 percent and an 11.00 percent rate of return on a rate base of \$122,932 (Schedule BCA-W1). Staff recommends rates that would decrease the typical residential bill, with a median use of 1,881 gallons, by \$0.12 or 1.0 percent, from \$12.00 to \$11.88. However, the average bill (14,860 gallons) would increase from \$12.00 to \$35.81.

Background

Fisher's Landing is a Limited Liability Company ("LLC") engaged in the business of providing potable water service and wastewater service to the residents in the area located along the Colorado River approximately 30 miles northeast of Yuma, in Yuma County, Arizona. Decision No. 64998, dated June 26, 2002, granted the Company its Certificate of Convenience and Necessity ("CC&N") and established its current rates and charges.

Fisher's Landing, Inc., the parent company of Fisher's Landing, entered into commercial land lease No. 03-101133 with the Arizona State Land Department ("Land Department") in 1997. The term of the lease ran from June 1997 to May 2007. The Land Department has not granted a lease extension because it intends to lease or sell some or all of the leased property at auction.¹ Fisher's Landing is currently using the land under the holdover provisions of the lease. The lease provides Fisher's Landing with the right to store and treat water on the premises. Fishers Landing pays the Land Department a royalty on gross receipts² for the lease of the property.

The Company provided a notarized affirmation in its application that customers had been notified of the filing by mail on December 18, 2007.

Consumer Services

A review of the Commission's Consumer Service Section records showed that no formal complaints, no informal complaints, no inquiries or opinions were filed regarding Fisher's

¹State Land Department Order No. 193-2006/2007, dated March 5, 2007.

² Gross receipts excludes water sale/distribution but not wastewater.

Landing within the past three years. Due to a lack of customer opposition to the proposed rate increase, no public comment meetings have been held to date.

A review of the Company's billing format indicates that it is in compliance with the Arizona Administrative Code ("AAC") R14-2-409.Ba through R14-2-608.Bj.

Compliance

Decision No. 64998 required Fisher's Landing to file a rate case for both water and sewer no later than July 31, 2006, based on a 2005 test year. Fisher's Landing filed a delinquent rate application for water only on July 9, 2007. Staff found the application insufficient on August 8, 2007, and asked Fisher's Landing to file rate applications for both water and sewer to comply with the Commission's order. Staff requested administrative closure of the original application for water on December 28, 2007, and the matter was closed by a Procedural Order issued January 28, 2008. On December 19, 2007, Fisher's Landing filed new rate applications for both water and sewer. Staff initially found the new applications insufficient on January 22, 2008, and subsequently issued a sufficiency letter on March 24, 2008.

Staff confirmed that the Company is current on its personal property tax obligations.

Engineering Analysis

Staff inspected the Company's water system on March 4, 2008. A complete discussion of Staff's technical findings and recommendations and a complete description of the water system are provided in the attached Engineering Report (Attachment A).

Staff recommends that the Company file with Docket Control, as a compliance item in this docket, by December 31, 2009, a copy of the Arizona Department of Environment Quality ("ADEQ") approval of construction for the additional storage facilities (minimum of 40,000 gallons).

Staff recommends that the Commission authorize the depreciation rates shown in Table D of the Engineering Report.

Staff recommends that the Company specify the total number of its customers in its Annual Reports, beginning with the 2008 Annual Report filed in 2009.

Staff recommends that the Commission authorize the Company's requested service line and meter installation charges shown in Table E of the Engineering Report.

The Company has submitted the ADEQ documentation stating that the Company is delivering water that meets the water quality standards required by the Arizona Administrative Code, Title 18, Chapter 4.

Rate Base

Staff made one adjustment that increased the Company's proposed rate base by \$2,975, from \$119,957 to \$122,932, as shown in Schedule BCA-W2, page 1. Staff made no adjustments to gross plant in service. Staff's adjustment is discussed below.

Working Capital – Adjustment A provides a cash working capital allowance of \$2,975 based on the formula method. The formula method recognizes one-eighth of the operating expenses, excluding depreciation and taxes, plus one twenty-fourth of purchased power expenses. Fisher's Landing did not claim a cash working capital allowance.

Operating Income Statement

Staff's adjustments increased test year operating income by \$158,153 from \$27,393 to \$185,546 as shown in Schedule BCA-W3, page 1. Details of Staff's adjustments to operating revenues and expenses are discussed below.

Operating Revenue

Metered Revenue - Adjustment A decreases metered revenue by \$62,733, from \$62,733 to \$0. The adjustment reflects the reclassification of revenues generated by a flat monthly fee from metered water revenue to unmetered revenue. The Company does not have an authorized metered tariff.

Unmetered Revenue - Adjustment B increased unmetered revenue by \$220,164, from \$0.00 to \$220,164, to reflect application of the filed flat rate tariffs to the test year billing determinants. The adjustment reflects the reclassification of metered revenue to unmetered revenue discussed in Adjustment A above. The Company charged commercial customers \$12.00 instead of the \$50.00 filed tariff rate. The unmetered revenue amount of \$220,164 is calculated as follows: $[(847 \text{ residential bills} \times \$12.00) + (350 \text{ customers} \times 12 \text{ months} \times \$50.00)]$.

Operating Expenses

Staff's adjustments to operating expenses resulted in a net decrease of \$722 from \$35,340 to \$34,618.

Outside Services - Adjustment C decreases this account by \$121, from \$6,130 to \$6,009, to remove a \$50 charitable contribution and to reclassify \$71 of propane expense to miscellaneous expense.

Water Testing - Adjustment D reduces water testing expense by \$672, from \$2,635 to \$1,963, to reflect an on-going level as shown in the attached Engineering Report.

Miscellaneous Expense – Adjustment E increases miscellaneous expense by \$71, from \$0 to \$71, to recognize a reclassification from outside services expense.

Revenue Requirements and Rate Design

Staff recommends total operating revenue of \$48,139, a \$172,024 or 78.1 percent decrease from the Staff adjusted test year operating revenue of \$220,164. Staff's recommended revenue provides an operating income of \$13,523 for an operating margin of 28.09 percent and an 11.00 percent rate of return on a rate base of \$122,932 (Schedule BCA-W1). Staff's recommended revenue is sufficient to cover operating, maintenance and capital costs. The Company's request for a 73.16 percent rate of return versus Staff's recommended 11.00 percent rate of return is the reason for 100.0 percent of the \$74,965 excess of the Company's \$123,104 revenue requirement over Staff's \$48,139 revenue requirement.

The Company's present rate structure includes flat monthly rates - \$12.00 for residential customers and \$50.00 for commercial customers.

The Company proposes a one-tier rate structure for the residential customers and two-tier rate structure for commercial customers with a monthly minimum of \$17.00 for residential customers and \$50.00 for commercial customers. The proposed rate structure for residential customers includes 15,000 gallons in the minimum charge with a \$2.00 per 1,000 gallon commodity charge for gallons over 15,000. The proposed rate structure for commercial customers includes 15,000 gallons in the minimum charge with a \$7.50 per 1,000 gallons commodity rate for the next 35,000 gallons and a \$9.00 per 1,000 gallons commodity rate for all gallons over 50,000. The Company's proposed rates would increase the median usage (1,881 gallons) for 5/8 x 3/4-inch meter residential customer's bill from \$12.00 to \$17.00, an increase of \$5.00 or 41.7 percent.

The Commission established the present rate structure, based on flat rates, in the absence of metered billing determinants. Flat rates are less efficient at assigning costs to customers than volumetric rates and recognition of variances in meter size. Accordingly, Staff recommends a rate structure based on volumetric use that differentiates among meter sizes. Staff's recommended rate design is a significant change and a great improvement in cost assignment for commercial customers - particularly for the two mobile home parks. Specifically, Staff recommends an inverted tier rate structure. For 5/8 x 3/4-inch and 3/4-inch meters Staff's recommended rate structure includes three tiers with break-over points at 3,000 and 10,000 gallons. The first, second and third tier commodity rates for 5/8 x 3/4-inch and 3/4-inch meters are \$1.00, \$1.80 and \$2.10, respectively. For larger meters, Staff recommends two tiers with break-over points that increase with meter size. The first and second tier commodity rates for larger meters are \$1.80 and \$2.10, respectively. Staff recommends minimum monthly charges (with no gallons included) that vary from \$10.00 for 5/8 x 3/4-inch and 3/4-inch meters to \$500.00 for a 6-inch meter based on volumetric capacity. Staff's recommended rates would decrease the typical residential bill with a median usage of 1,881 gallons, by \$0.12 or 1.0

percent, from \$12.00 to \$11.88. However, the average bill (14,860 gallons) would increase from \$12.00 to \$35.81.

The Company proposes services line and meter installation charges that are within the guidelines determined by Staff. Accordingly, Staff recommends adoption of the service line and installation charges proposed by the Company with segregation of the service line charge from the meter installation charge.

The Company proposes no increase in service charge for Establishment Fee. Staff recommends an Establishment Fee of \$30.

The Company proposes to increase the service charge for Establishment (after hours) from \$45 to \$50. Staff finds \$45 as a reasonable and normal charge and recommends it.

The Company proposes no increase in service charge for Re-establishment (Within 12 Months). Staff recommends a Re-establishment Fee (within 12 months) per A.C.C. R14-2-403D.

The Company proposes to increase the service charge for Reconnection (delinquent) from \$35 to \$40. Staff finds \$35 as a reasonable and normal charge and recommends it.

The Company proposes to increase the service charge for Reconnection (delinquent) after hours from \$35 to \$50. Staff finds \$50 as a reasonable and normal charge and recommends it.

The Company proposes to increase the non-sufficient funds ("NSF") charge from \$25 to \$30. Staff finds \$25 as a reasonable and normal charge and recommends it.

The Company proposes to increase the service charge for Meter Test (if correct) from \$30 to \$70. Staff finds \$30 as a reasonable and normal charge and recommends it.

The Company proposes no increase in its \$25 service charge for Meter Re-read (if correct). Staff recommends retaining the \$25 service charge for Meter Re-read (if correct).

The Company proposes a variance from A.C.C. R14-2-403.B to charge \$50 for Deposits. Staff recommends continuing application of A.C.C. R14-2-403.B.

The Company proposes to continue application of A.C.C. R14-2-403.B for Deposit Interest. Staff agrees.

The Company proposed to continue a 1.5 percent per month interest charge for Deferred Payments. Staff concurs.

The Company proposes a Lay Payment Charge of \$10 per month. Staff recommends a 1.5 percent per month interest charge.

Staff Recommendations

Staff recommends:

- Approval of its recommended rates and charges as presented in Schedule BCA-W4. In addition to collection of its regular rates and charges, the Company may collect from its customers a proportionate share of any privilege, sales or use tax per A.A.C. R14-2-409.D.5.
- That the Company file with Docket Control, as a compliance item in this docket by December 31, 2009, a copy of the ADEQ approval of construction for the additional storage facilities (minimum of 40,000 gallons).
- Authorization of the depreciation rates shown in Table D of the Engineering Report.
- That the Company charge customers in accordance with its authorized tariffs.
- That the Company file with Docket Control, as a compliance item in this docket, a schedule of all approved rates and charges within 30 days after the Decision in this matter is issued.
- That the Company specify the total number of its customers in its Annual Reports, beginning with the 2008 Annual Report filed in 2009.

Fisher's Landing Water and Sewer Works - Water Division

Docket No. WS-04047A-07-0700

Schedule BCA-W1

Test Year Ended December 31, 2006

SUMMARY OF FILING

	-- Present Rates --		-- Proposed Rates --	
	Company as Filed	Staff as Adjusted	Company as Filed	Staff as Adjusted
Revenues:				
Metered Water Revenue	\$62,733	\$0	\$123,104	\$48,140
Unmetered Water Revenue	0	220,164	0	0
Other Water Revenues	0	0	0	0
Total Operating Revenue	\$62,733	\$220,164	\$123,104	\$48,140
Operating Expenses:				
Operation and Maintenance	\$26,814	\$26,092	\$26,814	\$26,092
Depreciation	6,603	6,603	6,603	6,603
Property & Other Taxes	1,923	1,923	1,923	1,923
Income Tax	0	0	0	0
Total Operating Expense	\$35,340	\$34,618	\$35,340	\$34,618
Operating Income/(Loss)	\$27,393	\$185,546	\$87,764	\$13,523
Rate Base O.C.L.D.	\$119,957	\$122,932	\$119,957	\$122,932
Rate of Return - O.C.L.D.	22.84%	150.93%	73.16%	11.00%
Times Interest Earned Ratio (Pre-Tax)	N/M	N/M	N/M	N/M
Debt Service Coverage Ratio (Pre-Tax)	N/M	N/M	N/M	N/M
Operating Margin	43.67%	84.28%	71.29%	28.09%

NOTES: 1. The times interest earned ratio (TIER) represents the ability of the Company to pay interest expenses before taxes.

2. Operating Margin represents the proportion of funds available to pay interest and other below the line or non-ratemaking expenses.

Fisher's Landing Water and Sewer Works - Water Division

Docket No. WS-04047A-07-0700

Test Year Ended December 31, 2006

Schedule BCA-W2

Page 1 of 3

RATE BASE

	----- Original Cost -----		
	Company	Adjustment	Staff
Plant in Service	\$143,273	\$0	\$143,273
Less:			
Accum. Depreciation	23,316	0	23,316
Net Plant	\$119,957	\$0	\$119,957
Less:			
Plant Advances	\$0	\$0	\$0
Accumulated Deferred Income Taxes	0	0	0
Total Advances	\$0	\$0	\$0
Contributions Gross	\$0	\$0	\$0
Less:			
Amortization of CIAC	0	0	0
Net CIAC	\$0	\$0	\$0
Total Deductions	\$0	\$0	\$0
Plus:			
1/24 Power	\$0	\$143 A	\$143
1/8 Operation & Maint.	0	2,832 A	2,832
Inventory	0	0	0
Prepayments	0	0	0
Total Additions	\$0	\$2,975	\$2,975
Rate Base	\$119,957	\$2,975	\$122,932

Explanation of Adjustment:

A - To provide cash working capital allowance based on the formula method.

PLANT ADJUSTMENT

	Company Exhibit	Adjustment	Staff Adjusted
301 Organization	\$20,000	\$0	\$20,000
302 Franchises	0	0	0
303 Land & Land Rights	0	0	0
304 Structures & Improvements	0	0	0
307 Wells & Springs	9,000	0	9,000
311 Pumping Equipment	4,000	0	4,000
320 Water Treatment Equipment	2,800	0	2,800
330 Distribution Reservoirs & Standpipes	28,068	0	28,068
331 Transmission & Distribution Mains	20,000	0	20,000
333 Services	0	0	0
334 Meters & Meter Installations	23,005	0	23,005
309 Flowhead Meters	0	0	0
336 Backflow Prevention Devices	0	0	0
339 Other Plant and Misc. Equipment	2,500	0	2,500
340 Office Furniture & Equipment	3,000	0	3,000
341 Transportation Equipment	2,500	0	2,500
343 Tools Shop & Garage Equipment	6,000	0	6,000
344 Laboratory Equipment	1,200	0	1,200
345 Power Operated Equipment	20,000	0	20,000
346 Communication Equipment	1,200	0	1,200
347 Miscellaneous Equipment	0	0	0
348 Other Tangible Plant	0	0	0
105 C.W.I.P.	0	0	0
TOTALS	\$143,273	\$0	\$143,273

Explanation of Adjustment:

Fisher's Landing Water and Sewer Works - Water Division

Docket NWS-04047A-07-0700

Test Year Ended December 31, 2006

Schedule BCA-W2

Page 3 of 3

ACCUMULATED DEPRECIATION ADJUSTMENT

	<u>Amount</u>
Accumulated Depreciation - Per Company	\$23,316
Accumulated Depreciation - Per Staff	23,316
Total Adjustment	\$0

Explanation of Adjustment:

Staff made no adjustment to the test year accumulated depreciation.

ACCT		Staff	Company	Staff
<u>NO.</u>	<u>DESCRIPTION</u>	<u>Calculated</u>	<u>Application</u>	<u>Adjustment</u>
307	Wells and Springs	1,349	1,349	-
310	Power Generation Equipment	4,500	4,500	-
311	Electric Pumping Equipment	2,250	2,250	-
320.1	Water Treatment Plant	420	420	-
330.1	Storage Tanks	1,499	1,499	-
330.2	Pressure Tanks	980	980	-
331	Transmission and Distribution Mains	1,800	1,800	-
334	Meters and Meter Installation	4,188	4,188	-
339	Other Plant & Miscellaneous Equip.	750	750	-
340	Office Furniture and Fixtures	900	900	-
341	Transportation Equipment	2,250	2,250	-
343	Tools and Work Equipment	1,350	1,350	-
344	Laboratory Equipment	540	540	-
346	Communications Equipment	540	540	-
	Total	\$ 23,316	\$ 23,316	-

STATEMENT OF OPERATING INCOME

	Company Exhibit	Staff Adjustments	Staff Adjusted
Revenues:			
461 Metered Water Revenue	\$62,733	(\$62,733) A	\$0
460 Unmetered Water Revenue	0	220,164 B	220,164
474 Other Water Revenues	0	0	0
Total Operating Revenue	\$62,733	\$157,431	\$220,164
Operating Expenses:			
601 Salaries and Wages	\$8,690	\$0	\$8,690
610 Purchased Water	0	0	0
615 Purchased Power	3,437	0	3,437
618 Chemicals	1,192	0	1,192
620 Repairs and Maintenance	3,923	0	3,923
621 Office Supplies & Expense	478	0	478
630 Outside Services	6,130	(121) C	6,009
635 Water Testing	2,635	(672) D	1,963
641 Rents	329	0	329
650 Transportation Expenses	0	0	0
657 Insurance - General Liability	0	0	0
659 Insurance - Health and Life	0	0	0
666 Regulatory Commission Expense - Rate Case	0	0	0
675 Miscellaneous Expense	0	71 E	71
403 Depreciation Expense	6,603	0	6,603
408 Taxes Other Than Income	1,098	0	1,098
408.11 Property Taxes	825	0	825
409 Income Tax	0	0	0
Total Operating Expenses	\$35,340	(\$722)	\$34,618
OPERATING INCOME/(LOSS)	\$27,393	\$158,153	\$185,546
Other Income/(Expense):			
419 Interest and Dividend Income	\$0	\$0	\$0
421 Non-Utility Income	0	0	0
427 Interest Expense	0	0	0
4XX Reserved - Not Used	0	0	0
426 Miscellaneous Non-Utility Expense	0	0	0
Total Other Income/(Expense)	\$0	\$0	\$0
NET INCOME/(LOSS)	\$27,393	\$158,153	\$185,546

Fisher's Landing Water and Sewer Works - Water Division

Docket No. WS-04047A-07-0700

Test Year Ended December 31, 2006

Schedule BCA-W3

Page 2 of 2

STAFF ADJUSTMENTS

A -	METERED WATER REVENUE - Per Company	\$62,733	
	Per Staff	0	(\$62,733)

To remove metered water revenue (\$62,733) because the Company does not have an authorized metered tariff.

B -	UNMETERED WATER REVENUE - Per Company	\$0	
	Per Staff	220,164	\$220,164

To recognize unmetered water revenue based on test year billing determinants and filed tariffs. The Company charged \$12 instead of filed tariff rate of \$50 to commercial customers.
[(847 residential bills X \$12)+(350 customers X 12 months X \$50)] = \$220,164

C -	OUTSIDE SERVICES - Per Company	\$6,130	
	Per Staff	6,009	(\$121)

To remove a \$50 charitable contribution and reclassify \$71 of propane expense to miscellaneous expense.

D -	WATER TESTING EXPENSE- Per Company	\$2,635	
	Per Staff	1,963	(\$672)

To recognize an average on-going normalized level of water testing expense.

E -	MISCELLANEOUS EXPENSE- Per Company	\$0	
	Per Staff	71	\$71

To recognize a reclassification from outside services.

RATE DESIGN

	Present	-Proposed Rates-	
	Rates	Company	Staff
Monthly Usage Charge			
All Residential (Flat Rate)	\$ 12.00	N/A	N/A
All Commercial (Flat Rate)	\$ 50.00	N/A	N/A
5/8" x 3/4" Meter - All Residential	N/A	\$17.00	\$ 10.00
3/4" Meter	N/A	17.00	15.00
1" Meter	N/A	17.00	25.00
1½" Meter	N/A	17.00	50.00
2" Meter	N/A	17.00	80.00
3" Meter	N/A	17.00	160.00
4" Meter	N/A	17.00	250.00
6" Meter	N/A	17.00	500.00
Number of Gallons in The Minimum:	0	15,000	0
5/8" x 3/4" Meter - All Commercial	N/A	\$50.00	\$ 10.00
3/4" Meter	N/A	50.00	15.00
1" Meter	N/A	50.00	25.00
1½" Meter	N/A	75.00	50.00
2" Meter	N/A	85.00	80.00
3" Meter	N/A	100.00	160.00
4" Meter	N/A	150.00	250.00
6" Meter	N/A	250.00	500.00
Number of Gallons in The Minimum:	0	15,000	0
Commodity Charge			
<u>Company Proposed 5/8 X 3/4-inch Meters - Residential</u>			
First Tier - Over - 15,000 gallons	N/A	2.00	
<u>Company Proposed 5/8 X 3/4-inch Meters - Commercial</u>			
First Tier - 15,001 - 50,000 gallons	N/A	7.50	
Second Tier - Over - 50,000 gallons	N/A	9.00	
<u>Staff Recommended - 5/8 x 3/4-inch Meters - All</u>			
Tier One Rate - 0 - 3,000 gallons			1.00
Tier Two Rate - 3,001 - 10,000 gallons			1.80
Tier Three Rate - Over 10,000 gallons			2.10
<u>Company Proposed 3/4-inch Meters - Residential</u>			
First Tier - Over - 15,000 gallons	N/A	2.00	
<u>Company Proposed 3/4-inch Meters - Commercial</u>			
First Tier - 15,001 - 50,000 gallons	N/A	7.50	
Second Tier - Over - 50,000 gallons	N/A	9.00	
<u>Staff Recommended - 3/4 inch Meters - All</u>			
Tier One Rate - 0 - 10,000 gallons			1.80
Tier Two Rate - Over - 10,000 gallons			2.10

<u>Company Proposed 1-inch Meters - Residential</u>			
First Tier - Over - 15,000 gallons	N/A	2.00	
<u>Company Proposed 1-inch Meters - Commercial</u>			
First Tier - 15,001 - 50,000 gallons	N/A	7.50	
Second Tier - Over - 50,000 gallons	N/A	9.00	
<u>Staff Recommended - 1 inch - All</u>			
Tier One Rate - 0 - 30,000 gallons			1.80
Tier Two Rate - over 30,000 gallons			2.10
<u>Company Proposed 1.5-inch Meters - Residential</u>			
First Tier - Over - 15,000 gallons	N/A	2.00	
<u>Company Proposed 1.5-inch Meters - Commercial</u>			
First Tier - 15,001 - 50,000 gallons	N/A	7.50	
Second Tier - Over - 50,000 gallons	N/A	9.00	
<u>Staff Recommended - 1.5 inch - All</u>			
Tier One Rate - 0 - 110,000 gallons			1.80
Tier Two Rate - over 110,000 gallons			2.10
<u>Company Proposed 2-inch Meters - Residential</u>			
First Tier - Over - 15,000 gallons	N/A	2.00	
<u>Company Proposed 2-inch Meters - Commercial</u>			
First Tier - 15,001 - 50,000 gallons	N/A	7.50	
Second Tier - Over - 50,000 gallons	N/A	9.00	
<u>Staff Recommended - 2 inch - All</u>			
Tier One Rate - 0 - 205,000 gallons			1.80
Tier Two Rate - over 205,000 gallons			2.10
<u>Company Proposed 3-inch Meters - Residential</u>			
First Tier - Over - 15,000 gallons	N/A	2.00	
<u>Company Proposed 3-inch Meters - Commercial</u>			
First Tier - 15,001 - 50,000 gallons	N/A	7.50	
Second Tier - Over - 50,000 gallons	N/A	9.00	
<u>Staff Recommended - 3 inch - All</u>			
Tier One Rate - 0 - 220,000 gallons			1.80
Tier Two Rate - over 220,000 gallons			2.10
<u>Company Proposed 4-inch Meters - Residential</u>			
First Tier - Over - 15,000 gallons	N/A	2.00	
<u>Company Proposed 4-inch Meters - Commercial</u>			
First Tier - 15,001 - 50,000 gallons	N/A	7.50	
Second Tier - Over - 50,000 gallons	N/A	9.00	
<u>Staff Recommended - 4 inch - All</u>			
Tier One Rate - 0 - 350,000 gallons			1.80
Tier Two Rate - over 350,000 gallons			2.10
<u>Company Proposed 6-inch Meters - Residential</u>			
First Tier - Over - 15,000 gallons	N/A	2.00	
<u>Company Proposed 6-inch Meters - Commercial</u>			
First Tier - 15,001 - 50,000 gallons	N/A	7.50	
Second Tier - Over - 50,000 gallons	N/A	9.00	
<u>Staff Recommended - 6 inch - All</u>			
Tier One Rate - 0 - 450,000 gallons			1.80
Tier Two Rate - over 450,000 gallons			2.10

Service Line and Meter Installation Charges

			-Staff Recommended-		
			Service Line Charge	Meter Installation	Total
5/8" x 3/4" Meter	\$400.00	\$480.00	\$390.00	\$90.00	\$480.00
3/4" Meter	470.00	565.00	390.00	175.00	565.00
1" Meter	550.00	660.00	450.00	210.00	660.00
1½" Meter	785.00	940.00	480.00	460.00	940.00
2" Meter	1,375.00	1,650.00	600.00	1,050.00	1,650.00
3" Meter	1,975.00	2,370.00	785.00	1,585.00	2,370.00
4" Meter	3,040.00	3,650.00	1,140.00	2,510.00	3,650.00
6" Meter	5,635.00	6,760.00	1,715.00	5,045.00	6,760.00

Service Charges

Establishment	\$30.00	\$30.00	\$30.00
Establishment (After Hours)	45.00	50.00	45.00
Reconnection (Delinquent)	35.00	40.00	35.00
Reconnection (Delinquent) after hours	35.00	50.00	50.00
Meter Test (If Correct)	30.00	70.00	30.00
Deposit	*	50.00	*
Deposit Interest	*		*
Re-Establishment (Within 12 Months)	**	**	**
NSF Check	\$ 25.00	\$ 30.00	\$ 25.00
Deferred Payment	1.50%	1.50%	1.50%
Meter Re-Read (If Correct)	\$ 25.00	\$ 25.00	\$ 25.00
Late Payment Charge-Per Month	0.00%	10.00%	1.50%

Monthly Service Charge for Fire Sprinkler

4" or Smaller	\$0.00	\$0.00	***
6"	0.00	0.00	***
8"	0.00	0.00	***
10"	0.00	0.00	***
Larger than 10"	0.00	0.00	***

* Per A.A.C. R-14-2-403.B

** Months off system times the minimum A.A.C. R-14-2-403.D

*** 1.00% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$5.00 per month. The Service Charge for Fire Sprinklers is only applicable for service lines separate and distinct from the primary water service line.

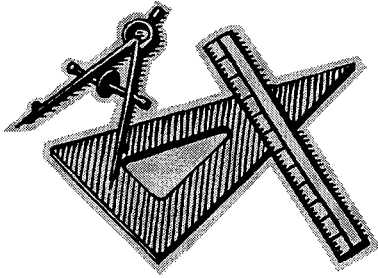
TYPICAL BILL ANALYSIS
General Service 5/8 X 3/4 - Inch Meter

Average Number of Customers: 71

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	14,860	\$12.00	\$17.00	\$5.00	41.7%
Median Usage	1,881	\$12.00	\$17.00	\$5.00	41.7%
<u>Staff Recommend</u>					
Average Usage	14,860	\$12.00	\$35.81	\$23.81	198.4%
Median Usage	1,881	\$12.00	\$11.88	(\$0.12)	-1.0%

Present & Proposed Rates (Without Taxes)
General Service 5/8 X 3/4 - Inch Meter

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Proposed Rates</u>	<u>% Increase</u>
0	\$12.00	\$17.00	41.7%	\$10.00	-16.7%
1,000	12.00	17.00	41.7%	11.00	-8.3%
2,000	12.00	17.00	41.7%	12.00	0.0%
3,000	12.00	17.00	41.7%	13.00	8.3%
4,000	12.00	17.00	41.7%	14.80	23.3%
5,000	12.00	17.00	41.7%	16.60	38.3%
6,000	12.00	17.00	41.7%	18.40	53.3%
7,000	12.00	17.00	41.7%	20.20	68.3%
8,000	12.00	17.00	41.7%	22.00	83.3%
9,000	12.00	17.00	41.7%	23.80	98.3%
10,000	12.00	17.00	41.7%	25.60	113.3%
15,000	12.00	17.00	41.7%	36.10	200.8%
20,000	12.00	27.00	125.0%	46.60	288.3%
25,000	12.00	37.00	208.3%	57.10	375.8%
50,000	12.00	87.00	625.0%	109.60	813.3%
75,000	12.00	137.00	1,041.7%	162.10	1,250.8%
100,000	12.00	187.00	1,458.3%	214.60	1,688.3%
125,000	12.00	237.00	1,875.0%	267.10	2,125.8%
150,000	12.00	287.00	2,291.7%	319.60	2,563.3%
175,000	12.00	337.00	2,708.3%	372.10	3,000.8%
200,000	12.00	387.00	3,125.0%	424.60	3,438.3%



**ENGINEERING REPORT FOR FISHER'S LANDING
WATER & SEWER WORKS, LLC
WATER RATE APPLICATION**

DOCKET NO. WS-04047A-07-0700

March 14, 2008

CONCLUSIONS

1. The Arizona Department of Environmental Quality ("ADEQ") has determined that Fisher's Landing Water & Sewer Works, LLC ("Company") water system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, and Chapter 4.
2. The Company's water system has a water loss of 2.1 percent, which is within acceptable limits.
3. The Company water system has adequate production, but lacks adequate storage capacity to serve the existing customer base.
4. The Company is not located in any Active Management Area ("AMA") and is not subject to Arizona Department of Water Resources ("ADWR") reporting and conservation requirements.
5. The Company has no outstanding Arizona Corporation Commission ("ACC") compliance issues.
6. The Company has an approved curtailment plan tariff.
7. The Company has an approved backflow prevention tariff.

RECOMMENDATIONS

1. Staff recommends that the Company file with Docket Control, as a compliance item in this docket by December 31, 2009, a copy of the ADEQ Approval of Construction ("AOC") for the additional storage facilities (minimum of 40,000 gallons).
2. Staff recommends that annual water testing expense of \$1,963 be used for this proceeding.

3. Staff recommends that the Company use depreciation rates ordered in Decision No. 64998 as delineated in Table D.
4. Staff recommends approval of the Company's requested Service Line and Meter Installation Charges as delineated in Table E.
5. Staff recommends that the Company report its customers in future Annual Reports, beginning with the 2008 Annual Report filed in 2009.

A. INTRODUCTION AND LOCATION OF COMPANY

On December 19, 2007, Fisher's Landing Water & Sewer Works, LLC ("Company") filed a rate application with the Arizona Corporation Commission ("ACC" or "Commission"). The Company serves its customers in an area which is located approximately 30 miles northeast of Yuma along the Colorado River in Yuma County, Arizona.

Figure 1 shows the location of the Company within Yuma County, and Figure 2 delineates the approximate 2 1/4 square miles, or 1,440 acres, of certificated area.

Figure 1

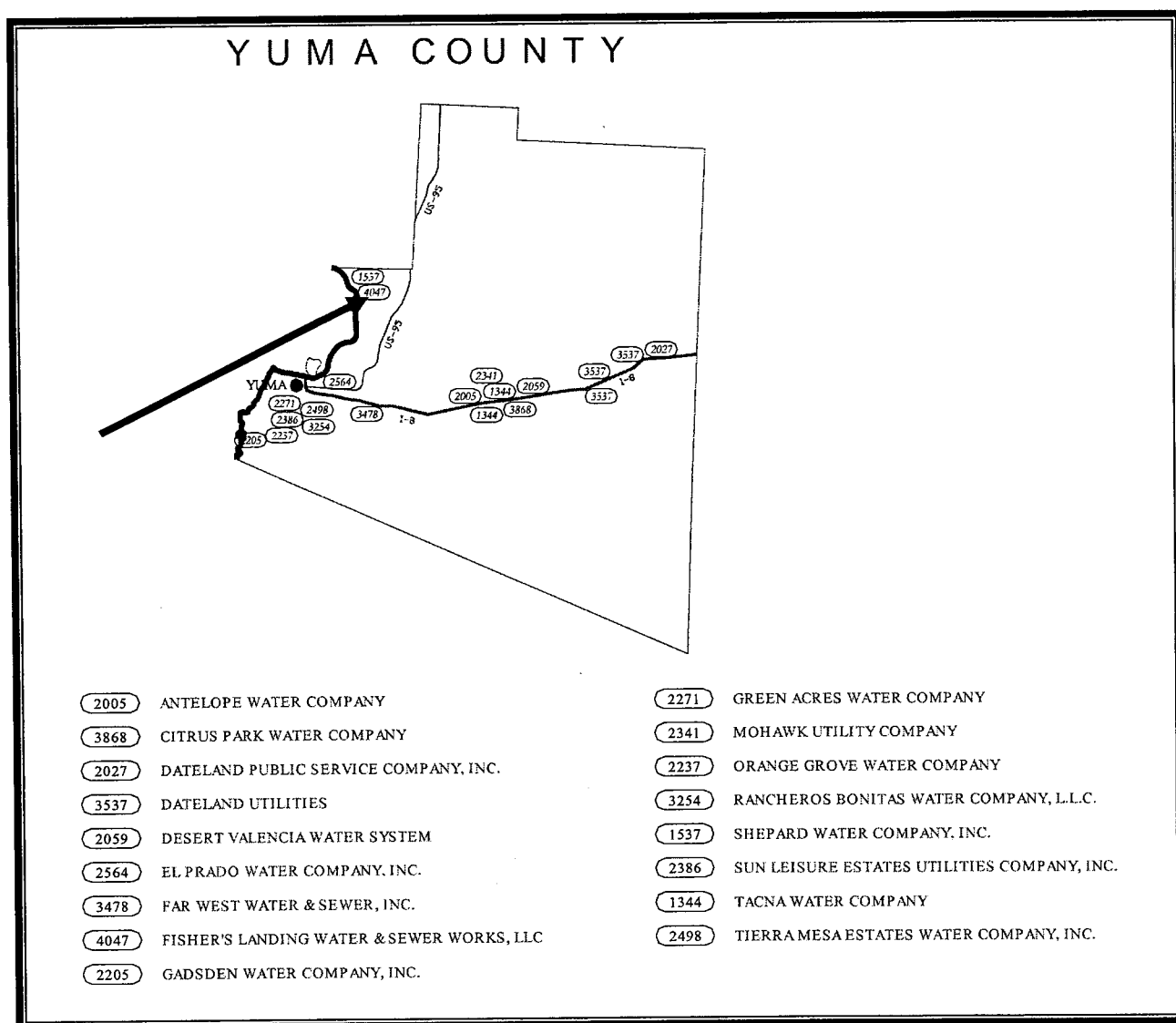
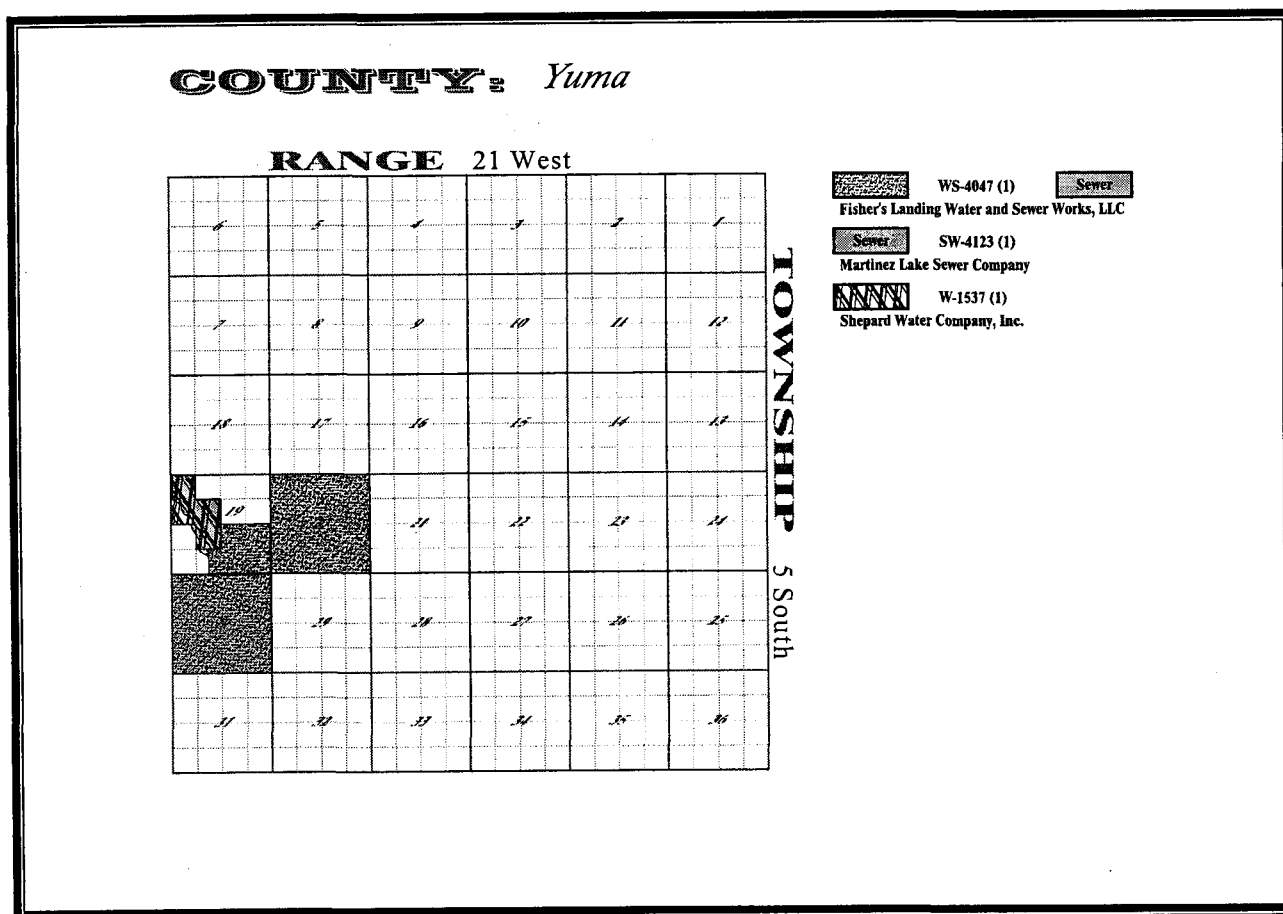


Figure2



B. DESCRIPTION OF THE WATER SYSTEM

The Company's plant facilities are located on Trust land¹ leased from the Arizona State Land Department. The Company's lease of this land with the Arizona State Land Department expired on May 31, 2007. A new lease which would provide for the continued use of this land by the Company has not been agreed upon and the Company remains in negotiations with the Arizona State Land Department (see further discussion under System Analysis).

The plant facilities were visited on March 4, 2008, by Katrin Stukov in the accompaniment of Rick Miller, the utility operator, and Don Fisher, the applicant. The operation of the water system consists of a well with a 100 gallons per minute ("GPM") pump, Colorado River water source with 25 GPM intake pump, 10,000-gallon storage tank, 3,000-gallon pressure tank, two 25-Hp booster pumps, filtration system, disinfection system, and a distribution system. The water system served approximately 420 connections on 78 meters during the test year of 2006 (during the test year there were 74 customers served by individual meters and 346 customers served by four master meters).

Table A provides customer summary information, Table B shows the plant facilities summary, and Figure 3 provides a process schematic for the water system.

Table A. Customer Summary Information

List of Customers	Meters		Customers served by master meters
	Quantity	Size	
Private residences (70)	70	5/8	
Fisher's Landing office	1	1	
Convenience store; Restaurant / Bar	1	1	
Rural Metro fire station	1	5/8	
Public restroom / laundry facility (Campground)	1	1 1/2	
Campground (66 spaces)	1*	1 1/2	66
Pruitt City MHP (157 spaces, 1 laundry, 1 restroom)	1*	2	159
Fisher's Landing MHP (114 spaces)	1*	2	114
Mobil Homes near Convenience store (7 spaces)	1*	1	7
Total	78		346

*Note: master meters

¹ Lot 212 (0.08 acres per Amendment to Commercial Lease dated June 6, 2006).

Table B. Plant Facilities Summary²

Wells

Plant Items	Well ADWR # 55-63872	Surface Water (Colorado River)
Pump	7.5-Hp	5-Hp
Pumping Rate	100 GPM	25 GPM
Casing Size	8-inch	
Casing Depth	350 ft	
Year Drilled	1974	
Meter Size	2-inch	

Water Tanks and Components

Water Tanks	Components	Structures
10,000 gallons Storage Tank	Chlorination system Clarifier (with chemical solution tank) (2) Media Filters (2)-25Hp Booster Pumps (1)-45 KW Generator	Chlorinator Room (8'x 10') Shade (12'x 22')
3,000 gallons Pressure Tank		

Water Mains

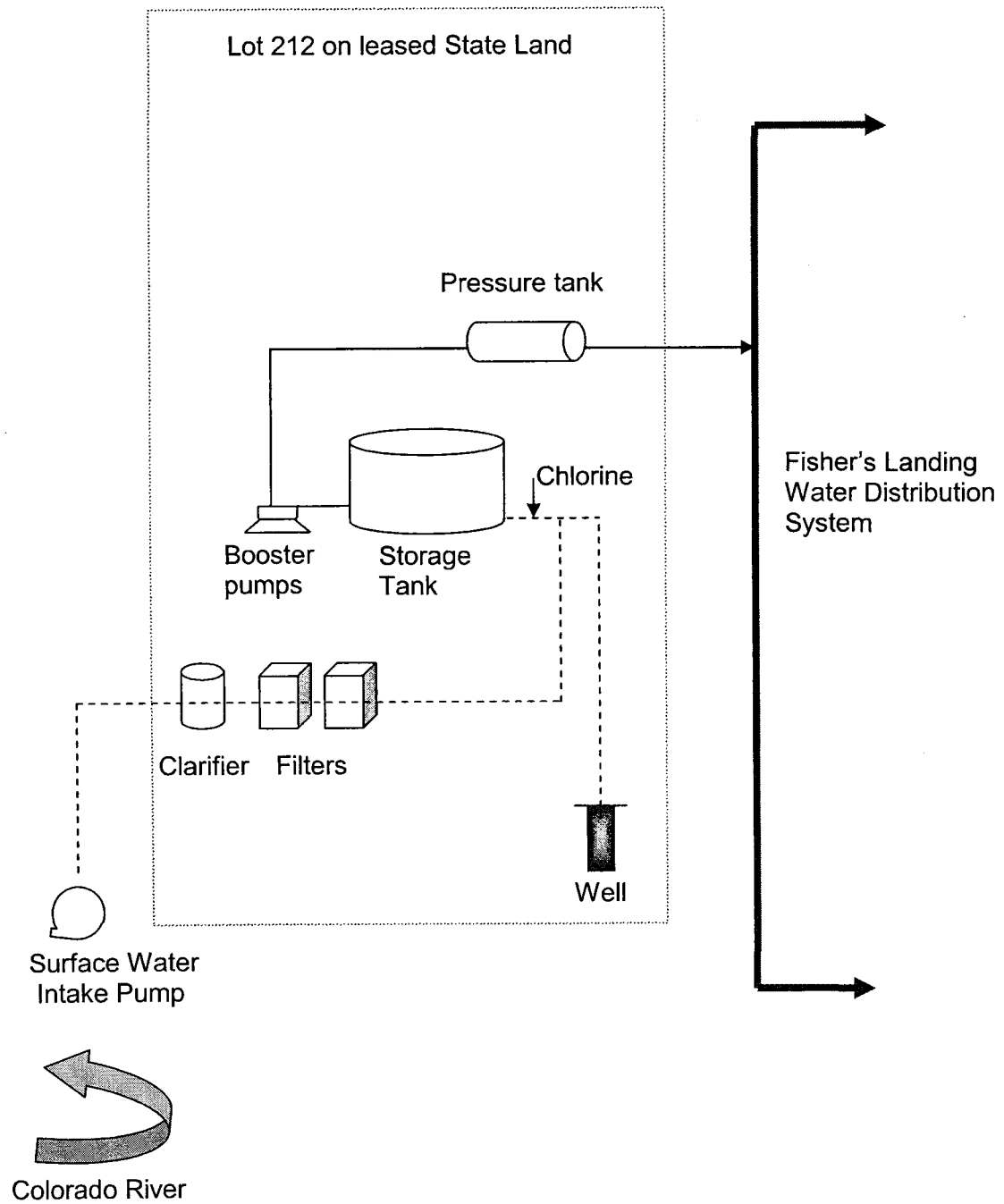
Diameter(inches)	Material	Length (feet)
2	PVC	2,690
2.5	PVC	1,590
4	PVC	600

Customer Meters

Size (inches)	Quantity
5/8 x 3/4	71
1	3
1-1/2	2
2	2

² Per Company's Rate Application

Figure 3 System Schematic



C. WATER USE

Water Sold

Figure 4 represents the water consumption data for the test year ending December 31, 2006, provided by the Company in its water use data sheet. Customer consumption included a high monthly water use of 176 gallons per day (“GPD”) per connection in September and a low water use of 88 GPD per connection in February. The average annual use was 126 GPD per connection.

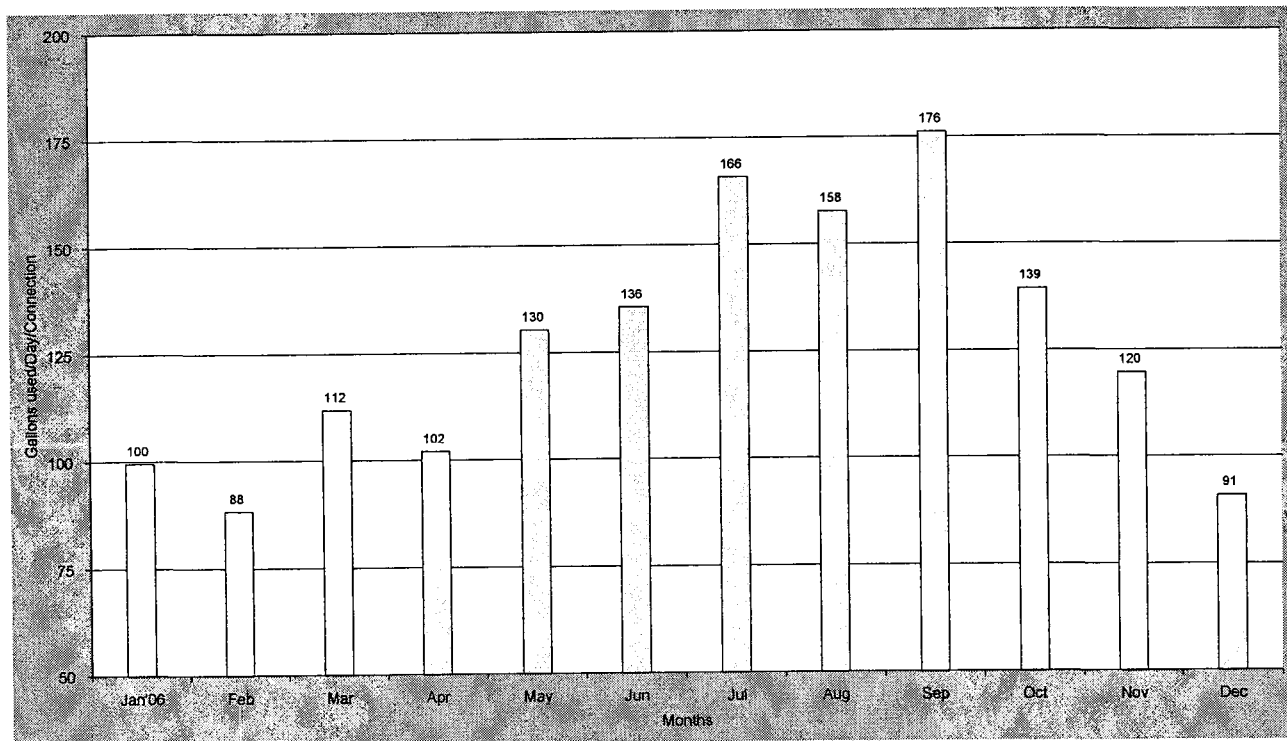


Figure 4 Water Use

Non-account Water

Non-account water should be 10 percent or less. The Company reported 19,844,000 gallons pumped and 19,421,000 gallons sold, resulting in a water loss of 2.1 percent, which is within acceptable limits.

System Analysis

Based on the data provided by the Company, the system's total production capacity is 125 GPM and storage capacity is 10,000 gallons. The system had 420 connections as of December 2006. Based on the Capacity Analysis, Staff concludes that the water system has adequate production, but lacks adequate storage capacity to serve the existing customer base.

In Commission Decision No. 64998, dated June 26, 2002, the Company was ordered to submit to the Director of the Utilities Divisions within 365 days a plan on how it will increase its storage capacity after the approximately 72 unmetered customers have been metered. In response to data requests concerning the additional storage capacity, the Company provided a copy of an Approval to Construct ("ATC") for the additional 100,000 gallon storage facility issued by ADEQ on December 5, 2006. The Company was granted an extension of time to begin construction until December 5, 2008 by ADEQ. On January 3, 2007, the Company submitted an application to place the improvements on leased Trust land to The Arizona State Land Department. The application was denied, in part because the Company's lease had expired and the subject Trust land was going to be put up for auction.

D. GROWTH

The Company did not report its total number of customers in its Annual Reports. Therefore, Staff cannot report or project growth for the Company using historical annual growth rates. Staff would note, however, that the Company reported 400 customers during 2002, for the Company's prior CC&N case, and the Company served 420 customers during 2006 test year for this rate case. Based on this information, Staff calculated a growth rate of approximately 5 customers per year and estimated that the system could have over 445 customers by 2012. Staff recommends that the Company report its customers in future Annual Reports, beginning with the 2008 Annual Report filed in 2009.

E. ADEQ COMPLIANCE

Compliance

ADEQ regulates the water system under ADEQ Public Water System I.D. #14-039. Based on a Compliance Status Report, dated September 27, 2007, the system has no deficiencies, and ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.

Water Testing Expense

The Company is subject to mandatory participation in the Monitoring Assistance Program ("MAP"). Participation in the MAP program is mandatory for water systems which serve less than 10,000 persons (approximately 3,300 service connections). The Company reported its water testing expense at \$2,635 during the test year. Staff has reviewed the Company's testing expenses and has recalculated the Company's testing costs. Table C shows Staff's adjusted annual water monitoring expense estimate of \$1,963 with participation in the MAP program (ADEQ-MAP invoice for the 2006 Calendar Year was \$1,085).

Table C. Water Testing Cost

Monitoring – 1 POE	Cost per test	No. of tests per year	Annual Cost
Total coliform – monthly	\$30	12	\$360
Inorganics – Priority Pollutants	MAP	MAP	MAP
Radiochemical – per 4 years	MAP	MAP	MAP
Phase II and V:			
Nitrate – annual	\$35	1	\$35
Nitrite – once per period	MAP	MAP	MAP
Asbestos – per 9 years	MAP	MAP	MAP
MAP – IOCs, SOCs, & VOCs	MAP	MAP	\$1,085
Lead & Copper –per 3 years	\$40	10/3-yrs	\$133
D/DBP:			
TTHM – annual	\$120	1	\$120
HAA5 - annual	\$230	1	\$230
Total			1,963

F. ADWR COMPLIANCE

The Company is not located in any Active Management Area, and consequently is not subject to ADWR reporting and conservation requirements.

G. ACC COMPLIANCE

A check with Utilities Division Compliance Section showed that there are currently no delinquent compliance items for the Company³.

H. DEPRECIATION RATES

In Decision No. 64998, dated June 26, 2002, new depreciation rates for the Company were adopted. The Company submitted depreciation rates for certain plant accounts which are different from Decision No. 64998. The Company did not provide specific reasons for this deviation. Therefore, Staff recommends that the Company use depreciation rates ordered in Decision No. 64998 as delineated in Table D.

³ Per ACC Compliance status check dated February 21, 2008

TABLE D
DEPRECIATION RATES FOR WATER COMPANIES

NARUC Account No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
304	Structures & Improvements	30	3.33
305	Collecting & Impounding Reservoirs	40	2.50
306	Lake, River, Canal Intakes	40	2.50
307	Wells & Springs	30	3.33
308	Infiltration Galleries	15	6.67
309	Raw Water Supply Mains	50	2.00
310	Power Generation Equipment	20	5.00
311	Pumping Equipment	8	12.5
320	Water Treatment Equipment		
320.1	Water Treatment Plants	30	3.33
320.2	Solution Chemical Feeders	5	20.0
330	Distribution Reservoirs & Standpipes		
330.1	Storage Tanks	45	2.22
330.2	Pressure Tanks	20	5.00
331	Transmission & Distribution Mains	50	2.00
333	Services	30	3.33
334	Meters	12	8.33
335	Hydrants	50	2.00
336	Backflow Prevention Devices	15	6.67
339	Other Plant & Misc Equipment	15	6.67
340	Office Furniture & Equipment	15	6.67
340.1	Computers & Software	5	20.00
341	Transportation Equipment	5	20.00
342	Stores Equipment	25	4.00
343	Tools, Shop & Garage Equipment	20	5.00
344	Laboratory Equipment	10	10.00
345	Power Operated Equipment	20	5.00
346	Communication Equipment	10	10.00
347	Miscellaneous Equipment	10	10.00
348	Other Tangible Plant	----	----

NOTES:

1. These depreciation rates represent average expected rates. Water companies may experience different rates due to variations in construction, environment, or the physical and chemical characteristics of the water.
2. Acct. 348, Other Tangible Plant may vary from 5% to 50%. The depreciation rate would be set in accordance with the specific capital items in this account.

I. OTHER ISSUES

1. Service Line and Meter Installation Charges

The Company has requested changes in its service line and meter installation charges. These charges are refundable advances and the Company's proposed tariff is within Staff's customary range of charges. Therefore, Staff recommends approval of the Company's requested service line and meter installation charges as delineated in Table E.

Table E. Service Line and Meter Installation Charges

Meter Size	Company Current Tariff			Company Proposed Tariff		
	Service Line Charge	Meter Charge	Total Charge	Service Line Charge	Meter Charge	Total Charge
5/8" x 3/4"	\$325	\$75	\$400	\$390	\$90	\$480
3/4"	\$325	\$145	\$470	\$390	\$175	\$565
1"	\$375	\$175	\$550	\$450	\$210	\$660
1-1/2"	\$400	\$385	\$785	\$480	\$460	\$940
2"	\$500	\$875	\$1,375	\$600	\$1,050	\$1,650
3"	\$655	\$1,320	\$1,975	\$785	\$1,585	\$2,370
4"	\$950	\$2,090	\$3,040	\$1,140	\$2,510	\$3,650
6"	\$1,430	\$4,205	\$5,635	\$1,715	\$5,045	\$6,760

2. Curtailment Plan Tariff

The Company has an approved curtailment tariff.

3. Backflow Prevention Tariff

The Company has an approved backflow prevention tariff.